

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6390**

**BILL NUMBER:** SB 78

**NOTE PREPARED:** Jan 19, 2005

**BILL AMENDED:** Jan 18, 2005

**SUBJECT:** Wage Payment Issues.

**FIRST AUTHOR:** Sen. Young R Michael

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill requires an employer to pay all wages earned to a date not more than 10 business days before the date of payment. It provides a procedure for an employer to deduct amounts due to the employer from an employee from the employee's unpaid wages. It exempts employees who are classified as exempt under the federal Fair Labor Standards Act from the state provisions concerning wage payment. The bill permits a wage assignment for: (1) payment for uniforms; (2) payment for tools and equipment; or (3) tuition repayment. The bill also establishes a fee for issuing a replacement payroll check in certain circumstances.

The bill repeals and relocates language making it a Class C infraction for an employer to sell merchandise or supplies to an employee for a price higher than to the public. It repeals a chapter concerning the regulation of wage payments, which includes the following provisions: (1) a provision requiring an employer to pay employees in commercial paper; (2) a duplicate provision concerning frequency of wage payments; and (3) a provision containing outdated language concerning liens of laborers.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** The impact on the state and local governments would be as an employer and should be a minor impact, if any.

The provisions exempting employees who are classified as exempt under the federal Fair Labor Standards Act from the provisions dealing with wage payment should have no impact.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.